2006-2010 Business Plan Approved

ASTALDI, TOTAL REVENUES GROW TO OVER 2 BLN EUROS BY 2010

- **Orders backlog in excess of € 10 billion by 2010**
- **New orders acquired for € 2.8 billion over the past fifteen months**
- **16% average annual growth rate for EBIT over the period**
- **18% average annual growth rate for Net Profit over the period**

Rome, 27 April 2006 – The Board of Directors of Astaldi S.p.A., chaired by Ernesto Monti, has examined and approved the new Business Plan for 2006-2010.

The 2006-2010 Business Plan is based on the strong acceleration in the new contracts acquisition process recorded over the past fifteen months. This makes it possible not only to create value based on a significantly increased orders backlog, but also to adopt a highly selective approach to external acquisition opportunities.
Although developed on the basis of internal growth, the new business plan confirms the objectives already set in the previous planning period, and envisages additional value creation by developing activities in concession/project financing.

Strategic guidelines
The early achievement of the acquisition objectives and the significantly increased portion of the orders backlog in general contracting and concession/project financing, have made it possible to prove and confirm the efficacy of the strategic guidelines already outlined in the previous business plan.

Thus, for the domestic market, the strategic guidelines for the next five years show the Group's increasing commitment to complex, high-tech, management-intensive contracts, in general contracting and in concession/project finance, particularly in the areas of transport infrastructure, health construction and car parks. In fact, the new business plan will see a change in the orders backlog composition, with a significant increase in the share of the concession/project financing projects, increasing from the current 25% to 36% in 2010, and a 5% contribution to total revenues at the end of the period.
On the other hand, the foreign market will see further development of general contracting, concession and project financing activities in those countries where the Astaldi Group is an established presence (Venezuela, Algeria, Turkey, Romania, and Qatar), and where infrastructure programmes being implemented by local Governments offer attractive development opportunities.

Main economic and financial targets
The main consolidated economic targets for the next five years show the doubling of total revenues and a significant increase in the main profitability ratios.

In fact, the business plan approved by the Board of Directors calls for exceeding € 2 billion in total revenues by the end of 2010, with an average annual growth of 14% (as against the €1.021 billion recorded in 2005), with EBIT rising from €78 million to approximately € 170 million. The net profit is planned to grow from the current € 32 million to approximately € 75 million in 2010, with an average annual growth equalling 18%.
The net financial indebtedness planned for the end of the period equals approximately € 100 million for the portion related to construction activities (that does not include € 360 million relating to activities under concession/project financing). The corporate debt/equity ratio, which excludes the portion of debt related to concession and project financing activities as it is without recourse, is forecast to be less than 0.5.

Orders backlog
As of April 2006, the orders backlog totalled approximately € 7 billion euros – a level that the previous business plan had forecast for late 2007, to reach over € 8 billion in 2009. The orders backlog at April 2006 does not take into account the € 3.4 billion in new initiatives for which Astaldi is already the sponsor or first in the rankings and that are planned to become effective in the short term.

Thus, according to Executive Deputy Chairman Vittorio Di Paola, "the strong acquisition capacity shown in recent months confirms the Group's commitment for future growth ensuring from today the resources required for new investment."

Over the past fifteen months, Astaldi has acquired € 2.8 billion of new orders. The deployment of production activities relating to these new projects in the years to come will yield an additional increase in revenues and margins, thus guaranteeing – today – approximately 60% of the more than €2 billion of total revenues expected for 2010.
In fact, 2007 will see major projects currently in the backlog go into full production. These will include Line C of the Rome Underground, Line 5 of the Milan Underground, the two lots of the Jonica State Road (SS106), and the Parma-La Spezia railway line besides those already in progress, such as the Turin railway hub and the Bologna high-speed railway station. As regards foreign activities, additional contracts in the rail and hydraulic works sectors, secured in Venezuela and Algeria, are also scheduled to go into production by 2007.

According to Vittorio Di Paola, "the results achieved thus far confirm that the strategic guidelines indicated in the previous plans are sound and effective. Their implementation confirms the Group's capability of attaining, and even achieving ahead of time, the objectives that had been set."

The 2006-2010 business plan will be presented by the Company's top management to the financial community on 9 May, 2006.

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Listed on the Star segment of the Italian stock exchange, Astaldi Group has been active for more than 75 years, in Italy and abroad, in designing and constructing large-scale civil engineering works.
The Group operates in the following areas of activity:

- *transport infrastructures (railways, undergrounds, roads, motorways, ports, and airports);*
- *hydraulic works and power production plants (dams, hydroelectric plants, water systems, oil pipelines, gas pipelines, and treatment plants);*
- *civil and industrial construction (hospitals, universities, airports, law courts, and car parks);*
- *concession of such works as car parks, remediation plants, etc.*

The Group is currently a General Contractor capable of promoting financial aspects and coordinating all resources and skills for the optimal development and management of complex and high-value public works.

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